

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

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| (1) DEPARTMENT Auditor - Controller | (2) MEETING DATE 10/1/2013 | (3) CONTACT/PHONE Kerry Bailey 788-2979 | |
| (4) SUBJECT Consideration of a financial review of the calendar year 2012 concession contract with the Lopez Lake Marina Concessionaire. | | | |
| (5) RECOMMENDED ACTION It is recommended that the Board receive the item and file. | | | |
| (6) FUNDING SOURCE(S) N/A | (7) CURRENT YEAR FINANCIAL IMPACT \$0.00 | (8) ANNUAL FINANCIAL IMPACT \$0.00 | (9) BUDGETED? Yes |
| (10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___) | | | |
| (11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A | | | |
| (12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A | | (13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A | |
| (14) LOCATION MAP N/A | (15) BUSINESS IMPACT STATEMENT? No | (16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>October 4, 2011</u> | |
| (17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i> | | | |
| (18) SUPERVISOR DISTRICT(S) All Districts - | | | |

County of San Luis Obispo



TO: Board of Supervisors

FROM: James Erb, CPA, Auditor-Controller - Treasurer - Tax Collector

DATE: 10/1/2013

SUBJECT: Consideration of a financial review of the calendar year 2012 concession contract with the Lopez Lake Marina Concessionaire.

RECOMMENDATION

It is recommended that the Board receive the item and file.

DISCUSSION

The General Services Agency (GSA) contracts with a concessionaire to operate the marina at Lopez Lake. The Board of Supervisors approved the assignment of the contract to the concessionaire on July 12, 2011. Nine percent of gross receipts, less taxes and the sales of fishing licenses, is remitted monthly as rent for the operation of the marina.

The purpose of our review was to determine if the concessionaire's internal controls were adequate to safeguard and accurately account for cash receipts and whether rent payments were accurately calculated and remitted in a timely manner to the County. We also determined if the concessionaire maintained the level of insurance required in the contracts. In addition, we determined whether GSA properly recorded the rent payments and whether GSA deposits were made in a timely manner.

OTHER AGENCY INVOLVEMENT/IMPACT

General Services Agency staff were interviewed, provided documentation and responded to our findings.

FINANCIAL CONSIDERATIONS

The concessionaire remitted \$55,291 in rent in calendar year 2012.

RESULTS

We ascertained the concessionaire had adequate internal controls and that all payments were received by the County on time. We also determined the concessionaire over reported gross receipts, that GSA did not date/time stamp four payments and that GSA did not deposit three payments in a timely manner.

The attached concessionaire review report details our findings. The General Services Agency agrees with our report and has included a response to the findings. We also identified an area of improvement which is detailed in the attached report.

Regular fiscal and compliance reviews of concessionaires are one of the tools used to monitor concessionaires. Regular monitoring activities help maintain reporting accountability and contract compliance and contribute to the County's vision of a well-governed community.

ATTACHMENTS

1. Lopez Lake Marina Concessionaire Report
2. GSA Response to Audit Findings